

## NON-DEPARTMENTAL

This budgetary unit provides for the cost of government services that are not directly attributable to a specific City department. These items include liability and property insurance coverage, employee training, and support of City boards and commissions.

Further information on non-departmental expenditures is provided below.

**PERSONNEL COSTS** – The cost of the City's Employee Recognition Program (\$75,000) is included in this classification. Program expenditures include pay increases for distinguished performance, the annual Employee Recognition Day, the Service Awards Program, and the holiday party and gift certificates.

The other major expenditure in this classification is a supplemental payment made by the City to the State of Maryland Employees' Retirement System. This payment is in addition to the City's annual pension contribution made on behalf of civilian personnel. In the mid 1990s, the General Assembly revised the billing practices for the Employee's Retirement System. The legislation allowed the City to amortize its funding deficit over a period of 40 years. The payment for FY07 is \$68,000.

The cost of the City's Employee Assistance Program is also accounted for in this category.

**SERVICES AND CHARGES** – The City's cost for liability and property insurance coverage comprises the majority of expenditures in this category. The City purchases all insurance coverage, with the exception of health and worker's compensation, through the Local Government Insurance Trust. The budget includes \$126,500 for the City's liability and property insurance coverage.

The other major expenditure included in this classification is the cost of the Day Laborer site on New Hampshire Avenue. The budget includes \$60,000 for the site's operation. A portion of this cost is offset by a contribution in the amount of \$30,000 from Montgomery County.

Funding in the amount of \$25,000 is included for contracts that are non-departmental in nature. The budget also includes \$20,000 for the purchase of supplies that will be needed by staff during an emergency operation.

**MISCELLANEOUS** – The cost of the City's local supplement to the State Homeowner's Property Tax Credit is reflected in this classification. This State program allows credits against the homeowner's property tax bill if the property taxes exceed a fixed percentage of the person's gross income. In keeping with the City Council's commitment to provide affordable housing in Takoma Park, the amount of the supplement has increased over time. For FY06, the City Council increased the supplement from 30 percent of the State tax credit to 50 percent. The budget includes \$50,000 for the City's local supplement.

This classification also includes \$50,000 for employee training.

One-half of one percent of revenues is set aside as a general contingency account to cover unexpected operating expenses during the fiscal year. \$82,545 is included for this purpose.

The "miscellaneous" classification also provides \$21,750 for support of City committees and commissions and community activities. Funding is provided for the Arts and Humanities Commission, the Public Safety Citizens' Advisory Committee, Fourth of July activities, and community festivals. This year's budget includes \$3,500 designated for the Committee on the Environment.

Other expenditures included in the “miscellaneous” category include the City’s tuition reimbursement program, the payout of accrued leave to employees separating from the City’s employment, and bad debt expense.

**UNAPPROPRIATED RESERVE** – In accordance with the Charter of the City of Takoma Park, two percent of revenues is set aside in an unappropriated reserve fund to cover unexpected costs. This contingency account includes \$330,182.

**EQUIPMENT REPLACEMENT RESERVE** – A contribution of \$300,000 to the Equipment Replacement Reserve (ERR) is proposed to ensure funding for the future purchase of equipment and vehicles. This contribution will be processed as a transfer from the General Fund undesignated reserve to the Equipment Replacement Reserve. It is shown in the budget as expenditure for disclosure purposes. This represents an increase of \$200,000 over past years. A review of the items being funded by the ERR revealed that many capital items were not included in the ERR and the fund need to be increased.

#### Budget Comments

- The contribution to the Equipment Replacement Reserve was significantly increased. In part, this was attributable to additional items being included in the Equipment Replacement Reserve program.
- The FY06 budget for the unappropriated reserve reflects the balance after transfers were made to other accounts during the year through the budget amendment process. The original budget for FY06 was comparable to that for FY07.

**FY 2007 BUDGET SUMMARY - NON-DEPARTMENTAL**







<u>Division</u>	<u>Audited FY03</u>	<u>Audited FY04</u>	<u>Audited FY05</u>	<u>Budgeted FY06</u>	<u>Estimated FY06</u>	<u>Budgeted FY07</u>
<b>Non-Departmental</b>						
Personnel Costs	83,507	90,596	88,818	139,500	139,660	148,000
Supplies	0	0	0	0	0	29,000
Services and Charges	155,739	209,590	262,118	238,500	150,048	211,500
Miscellaneous	152,862	236,031	256,530	242,795	164,175	245,295
Unappropriated Reserve	11,485	69,900	0	166,020	3,657	330,182
Equipment Replacement Reserve	0	0	0	100,000	100,000	300,000
<b>TOTAL--NON-DEPARTMENTAL</b>	<b>403,593</b>	<b>606,117</b>	<b>607,466</b>	<b>886,815</b>	<b>557,540</b>	<b>1,263,977</b>

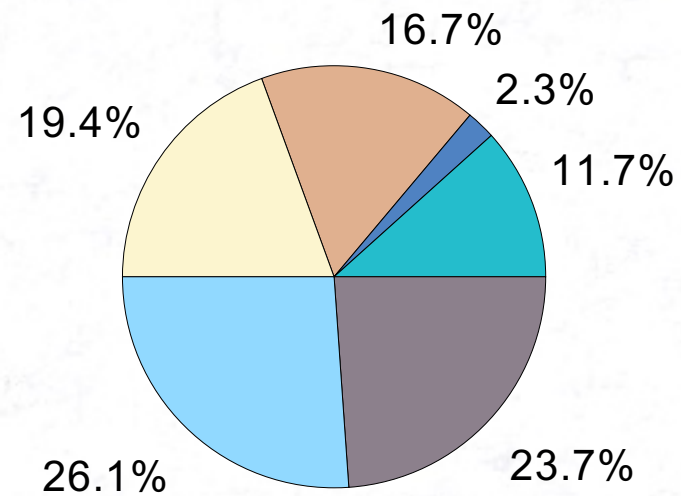
*Note: \$100,000 was allocated to the Equipment Replacement Reserve in FY03, FY05, and FY06. The City's audit reflects this as a transfer from the General Fund undesignated reserve to the Equipment Replacement Reserve. In the budget, it is shown as an expenditure for disclosure purposes.*

# FY 07 Budget

## Non-Departmental By Cost Center

TOTAL = \$1,263,977

	Personnel Costs - \$148,000
	Supplies - \$29,000
	Services & Charges - \$ 211,500
	Miscellaneous - \$245,295
	Unappropriated Reserve - \$330,182
	Equip Replacement Res - \$300,000



# FY 07 Budget

## Non-Departmental By Category

TOTAL = \$1,263,977

	Contingencies - \$412,727
	Personnel Costs - \$148,000
	Insurance Premiums - \$126,500
	Equip Repl Reserve -\$300,000
	Day Laborer Site - \$60,000
	Training & Tuition Asst - \$56,000
	Miscellaneous - \$60,000
	Tax Rebate - \$50,000
	Commissions & Festivals - \$21,750
	Emergency Supplies - \$29,000

